

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1923 - SB 1991

February 21, 2020

SUMMARY OF ORIGINAL BILL: Requires rural electric cooperatives (co-op) installing, operating, or using equipment that delivers electricity to one or more customers to comply with relevant national standards. Establishes that any equipment that delivers electricity to one or more customers is subject to inspection by the state electrical inspector.

Requires a rural electric co-op to notify the applicable non-consumer owned or public electric system before transmitting electricity to one or more customers through a power distribution grid so the non-consumer owned or public electric system may be present for testing.

Establishes that a non-consumer owned or public electric system is not liable for any fines, penalties, injuries, or damages arising from a rural electric co-op's installation of electric equipment.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$67,000/FY20-21
\$48,700/FY21-22 and Subsequent Years

Increase State Revenue – Exceeds \$10,000/FY20-21 and Subsequent Years

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014954): Deletes the provision of the original bill that requires inspection of electrical equipment by the state inspectors and replaces it with a new provision that requires inspection by a state certified electrical inspector.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

HB 1923 - SB 1991

Assumptions for the bill as amended:

- Inspections of electrical installations are currently conducted by Deputy Electrical Inspectors (DEIs) contracted by DCI.
- The proposed amendment codifies current practice established under the Department of Commerce and Insurance Division of Fire Prevention Rules for electrical installations, Chapter 0780-02-01.
- Rural electric co-ops notifying the non-consumer owned or public electric system before an electric installation will have no significant impact to the policies or procedures of public electric systems or local government.
- No significant fiscal impact to state or local government.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Inspections of electrical installations are currently conducted by Deputy Electrical Inspectors (DEIs) contracted by DCI.
- Rural electric co-ops can notify the non-consumer owned or public electric system before an electric installation within existing resources.
- No significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/agr